Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Required Report - public distribution

Date: 10/15/2001

GAIN Report #NL1072

The Netherlands

Exporter Guide

Annual

2001

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Report Highlights:
This report provides information to U.S. companies interested in doing business in the Netherlands. It focuses on exports of consumer-oriented foods and beverages, edible fishery products, and food ingredients.

Includes PSD changes: No
Includes Trade Matrix: No
Annual Report
The Hague [NL1], NL

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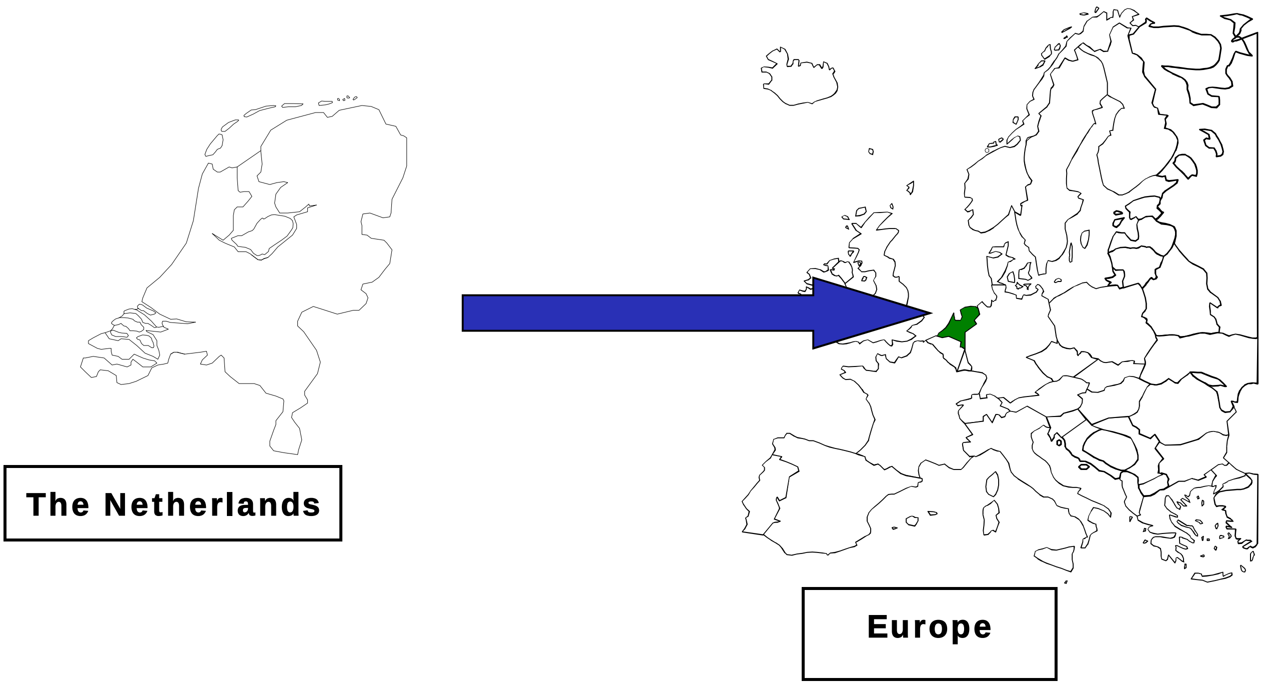
SECTION I. Market Overview

T The Dutch economy in 2000 expanded by 3.5 percent. Per capita GDP is US$23,208. Unemployment remains relatively low at around 2 percent of the labor force. Inflation has risen to 4.5 percent, among the highest in the euro zone.

T Real disposable income in 2000 rose due to high employment growth and net wealth effects resulting from capital gains on buoyant stock and housing markets. The income growth gave rise to a sharp rise in consumer spending. In real terms, consumer spending in 2000 rose by 3.8 percent. Purchases of luxury items like cars, video and audio equipment, designer furniture, and computers increased sharply, while spending on food and beverages remained fairly constant.

T The Netherlands currently has close to 16 million inhabitants and is the most densely populated country in the world, with 464 people per square kilometer. More than half of the Dutch population lives in the triangle Rotterdam-Amsterdam-Utrecht. The most important demographic trends in the Netherlands are:

- Population is growing steadily (16.6 million in 2010)
- Average household size is declining (One-person households account for 37 percent in 2010)
- The percentage of people with high education levels (university/technical college) is growing (from 11 percent in 1991 to 15 percent in 1998)
- More elderly people (11 percent older than 65 in 2010)



T In the Netherlands, about 74.6 percent of food is purchased in supermarkets, 16.5 percent in speciality stores and 8.9 percent from out-side markets, department stores, gas stations and direct sales from farms.

T In 2000, Dutch households spent US$ 84.1 on food per week, of which US$ 69.5 was spent in supermarkets. As a result of changing demographics and increased wealth, Dutch eating habits are changing, with consumers demanding convenience, fresh foods, variety, and more specialty food items. Health and convenience foods are increasingly valued by the customer. In addition to low prices, the Dutch consumer is seeking quality, a wide variety, and service.

The Netherlands: Consumer Food Buying Characteristics

	1997	1998	1999	2000
Number of Households	6.7 mln.	6.7 mln.	6.8 mln.	6.9 mln
Household size	2.3	2.3	2.3	2.3
Supermarket spending per week/household	Dfl. 191.00	Dfl. 196.00	Dfl. 199.00	Dfl. 199.00
Number of supermarket visits per week	3.1	3.0	3.1	3.1
Supermarket spending per visit	Dfl. 39.00	Dfl. 42.00	Dfl. 42.00	Dfl. 45.00
Exchange rate 1 U.S.$ =	*1.95*	*1.98*	*2.27*	*2.39*

***Source**: CBL Consumer Trends 2001*

Advantages and Challenges Facing U.S. Products in the Netherlands

Advantages	Challenges
Sophisticated market, good buying power	Markets are saturated, competition is fierce
Well organized trading system, many Dutch speak English	Transportation costs, import duties.
Favorable image of American products	Label & ingredient requirements
Strong interest with buyers in unique and innovative products	Difficult to attract the attention of the large buying groups

SECTION II. Exporter Business Tips

Local Business Customs

Following are some general characteristics about Dutch businessmen or women:

- The majority of Dutch business people speak English.
- They usually have no time for business lunches or dinners.
- The Dutch don't beat around the bush and don't skirt the issues. After very brief introductions, they expect you to come straight to the point. They give you their frank opinion and let you know if you offer them something they don't want.
- Dutch food buyers, the category managers and/or product managers, are fully responsible for the buying process and profits the product will bring. They are only interested in speaking to decision makers.
- The Dutch businessman is looking for a relationship, almost a partnership. Once you start doing business with him he expects continued support from you.

- The Dutch usually know their business and know what your competition is doing. The Dutch businessman understands that you need to make a profit. He is a tough but fair negotiator.

General Consumer Tastes and Preferences
As a result of changing demographics and increased wealth, Dutch eating habits are changing with consumers demanding convenience, fresh foods, a wide variety, and more specialty food items. The market for ready-to-eat meals has grown over the last 12 months by 11.5 percent, consumers look for fresh produce, especially fish, and meat substitutes. Health and convenience foods are increasingly sought by the consumer. In addition to low prices, the Dutch consumer values quality, a wide choice, and service.

Trends in the Dutch Food Market
• **Health**: natural ingredients - lower calories - no sugar - fresh - organic
• **Convenience:** frozen foods - fresh, pre-packed - take-away - ready-to-eat meals
• **Price:** special offers, sales
• **Winners**: fish, ready-to-eat meals, petfood
• **Distribution**: more power to supermarkets - fewer specialty stores - more shopping at gas and railway stations
• **Stores**: more personal service - wider assortment - more fresh and non-food - convenience foods - more exotic products - environmentally friendly products

Food Standards and Regulations
National Basic Legislation
In the Netherlands, there is not one single and specific food law. The regulatory framework for foodstuffs and non-food is covered by the *"Warenwet"* (Commodities Act) which forms the backbone of the Dutch system for food commodity legislation. The "Warenwet" supplies general guidelines and requirements concerning foods and other commodities. Basic objectives of this law are:

(1) health protection
(2) guarantee of product safety
(3) provision of adequate and correct information to the consumer and discouragement of misleading information, and
(4) promotion of fair trade.

Besides the "Warenwet," which concerns most foods, general aspects of some *primary foods* are regulated in two other laws:

The *"Landbouwkwaliteitswet*"(Agricultural Quality Act), which concerns primary agricultural products.
The *"Vleeskeuringswet"* (Meat Inspection Act), which concerns slaughterhouses.

Specific Standards
All three Acts mentioned above are basic laws and provide a basis for setting standards but do not specify concrete standards themselves. Standards concerning specific products or subjects (e.g. labeling and hygienic production) are the domain of individual implementing decrees (Royal decrees), based on the "Warenwet"

(Commodities Act) or one of the other Acts mentioned above.

A detailed report which specifically addresses labeling and ingredient requirements in the Dutch market entitled, The Netherlands: Food and Agricultural Import Regulations & Standards (FAIRS) report can be obtained from the FAS homepage: http://www.fas.usda.gov/scriptsw/attacherep/default.asp

SECTION III. Market Sector Structure and Trends

In the Netherlands, about 74.6 percent of food sales take place in **supermarkets**, 16.5 percent in the specialty stores and 8.9 percent via local markets, department stores, gas stations, etc. This illustrates the strong position of the supermarkets in the Dutch market.

The Netherlands: Number of Retail Food Stores According to Floor Space

	1996	1997	1998	2000	2005
Hypermarkets:>2,500 m2 (26,910 sq.feet)	40	40	43	50	60
Large Supermarkets: 1,000-2,500 m2 (10,764 - 26,910 sq.f)	592	624	644	700	840
Small Supermarkets: 400-1,000 m2 (4,305-10,764 sq.f)	2,236	2,267	2,284	2,325	2,350
Superettes: 100 - 400 m2 (1,076-4,305 sq.f)	1,736	1,665	1,641	1,525	1,250
Small stores: <100 m2 (1,076 sq.f)	1,925	1,618	1,540	1,230	900
Total	6,529	6,214	6,154	5,930	5,400

There are supermarket chains with 1) **national coverage such as** "Albert Heijn" and the members of the "Laurus Group," 2) **regional coverage** such as members of "Superunie," and 3) **independents** who buy through Trade Service Nederland. Others types of stores include:

- **Specialty stores**, which are losing market share to the supermarkets. The 26 percent share of the food market which specialty stores had in 1993 decreased to 16.5 percent in 1999. Family operated specialty stores do not have the economies of scale or the longer operating hours of the larger markets. Most of these stores specialize in bakery products, meat, fish, fruits or vegetables.

- **Wine, liquor, and drug chain-stores** are primarily owned by the large supermarket and growing in importance at the expense of the privately owned stores in this market segment.

- Relatively new food retailers in the Dutch market are **gas stations**, food stores at railway stations/airports and small convenience food stores in the inner cities. To an increasing extent, the large wholesale/retail food organizations are suppliers of, or owners of, these outlets.

The Six Largest Food Buying Organizations in the Netherlands in 2000			
Retailer/Wholesaler - type of outlet	**Sales/ Market share**	**Number of Outlets**	**Purchasing**
Albert Heijn, Retailer, National Multiple	US$ 5.5 billion 27.8 percent	1,790* nation wide	Direct, Imp./ wholesaler
Laurus Group, Buying organization for supermarket chains Super De Boer, Edah, Konmar, Spar, Groenwoudt Supermarkten and Basismarkt	US$ 4.7 billion 23.8 percent	2,379 nation wide	Direct, Imp./ wholesaler
Trade Service Nederland, (TSN) Buying organization for wholesalers Schuitema, Sperwer, A&P, Prisma Food Groep, Boon Sliedrecht and Codis	US$ 4.2 billion 21.0 percent	871 nation wide and regional	Direct, Imp./ wholesaler
Superunie, Buying organization for 14, usually family owned, regional supermarket chains	US$ 3.5 billion 17.8 percent	948 regional	Direct, Imp./ wholesaler
Aldi, Retailer	US$ 1.3 billion 6.3 percent	370 nation wide	Direct, Imp./ wholesaler
Koopconsult, Buying organization for the regional wholesaler Samenwerkende Dirk van den Broek Bedrijven	US$ 0.4 billion 2.1 percent	176 regional	Direct, Imp./ wholesaler
IN TOTAL	**US$ 19.6 billion 98.8 percent**	**7**	**Direct, Imp./ wholesaler**

Source: Elsevier, OAA The Hague * this includes drugstores "Etos"

Albert Heijn BV
Provinciale weg 11
1506 MA Zaandam
Tel: 075-65 99 111
Fax: 075-65 98 360
Website: www.ah.nl

Laurus N.V.
Parallelweg 64
5223 AL Den Bosch
Tel: 073- 62 23 622
Fax: 073 62 23 636
Website: www.laurus.nl

TSN (Trade Service Nederland)
Plotterweg 4
3821 BB Amersfoort
Tel: 033-45 33 6 00
Fax: 033-45 50 172

Superunie, C.I.V
Industrieweg 22b
4153 BW Beesd
Tel: 0345-68 66 66
Fax: 0345-68 66 00
Website: www.superunie.nl

Aldi Nederland
Erasmusweg 3
4104 AK Culemborg
Tel: 0345-47 29 11
Fax: 0345-41 93 83
Website: www.aldi.nl

Koopconsult B.V.
Flemingweg 1
2408 AV Alphen aan de Rijn
Tel: 0172- 44 82 00
Fax: 0172- 47 46 36

Lidl Nederland
Huizermaatweg 45
1273 NA Huizen
Tel: 035-52 42 411
Fax: 035-52 64 139

SECTION IV. Best High-value Product Prospects

A. Popular U.S. Food Products in the Dutch Market

- TEXMEX foods (including sauces)
- Snack Foods
- Pink Grapefruit
- Tree nuts
- Wine
- Pet food
- Canned salmon

B. U.S. Food Products not present in significant quantities, but which have good sales potential, include:

- A variety of grocery items, from peanut butter to "Pringle" chips, from sport drinks to cheese balls, etc.
- Red apples
- Fresh Orange/Grapefruit juice
- Speciality Sauces and Dressings

C. U.S. Food Products not present because they face Significant Barriers

- Canned fruits (high tariffs)
- Frozen whole turkeys and parts (high tariffs)
- Poultry meat (phytosanitary)
- Fresh beef

SECTION V. Key Contacts And Further Information

- Office of Agricultural Affairs, American Embassy
  U.S. Mailing Address: U.S. Embassy/ the Hague, PSC 71 Box 1000 APO AE 09715
  International Mailing Address: Lange Voorhout 102, 2514 EJ The Hague, the Netherlands
  Phone: 31-70-310-9299
  Fax: 31-70-365-7681
  e-mail: agthehague@fas.usda.gov

Food Shows Frequently Visited by Dutch Food Buyers		
Show	**When**	**Show Organizers**
HORECAVA, Amsterdam, the Netherlands (Hotel, Restaurant Show)	January 07-10, 2002	tel: + (31) 20 575 30 32 fax: + (31) 20 575 30 93 http://www.horecava.nl
ROKA, Utrecht, the Netherlands	March 10-13, 2002	tel: + (31) 30 295 59 11 fax: + (31) 30 294 03 79 http://www.rokafoodfair.nl
FMI, Chicago, United States < **Participation in** U.S. Food Export Showcase tel: + (1) 202 296 9680 fax: + (1) 202 296 9686	May 05 - 07, 2002	tel: + (1) 202 452 8444 fax + (1) 202 429 4559 http://www.fmi.org
World of Private Label (PLMA) Amsterdam, the Netherlands **< U.S. Participation** USDA/FAS, Washington Trade Show Office tel: + (1)202 720 3623 fax + (1)202 690 4374	May 28 - 29, 2002	tel: + (31) 20 575 30 32 fax: + (31) 20 575 30 93 http://www.plmainternational.com
SIAL, Paris, France < **U.S. Participation:** USDA/FAS, Paris, France tel: + (33) 1 431 222 77 fax + (33) 1 431 226 62	October 20- 24 2002 Bi-Annual Show	tel: + (33) 149 68 54 99 fax: + (33) 147 31 37 75 http://www.sial.fr
ANUGA, Cologne, Germany < **U.S. Participation:** USDA/FAS/ATO Hamburg, Germany tel: + (49) 40 414 6070 fax: + (49) 40 414 60720	October 13 - 18, 2001	tel: + (49) 221 82 10 fax: + (49) 821 34 10 http://www.koelmesse.de/anuga/english/index.html

Or contact the International Marketing Section of your State Department of Agriculture.

APPENDIX I. Statistics

A. Key Trade & Demographic Information

Agricultural Imports From All Countries ($Mil) / U.S. Market Share (%) 1/	$18,876 / 8%
Consumer Food Imports From All Countries ($Mil) / U.S. Market Share (%) 1/	$11,078 / 4%
Edible Fishery Imports From All Countries ($Mil) / U.S. Market Share (%) 1/	$952 / 2%
Total Population (Millions) / Annual Growth Rate (%)	15.8 / 0.9%
Urban Population (Millions) / Annual Growth Rate (%)	9.8 / 2%
Number of Major Metropolitan Areas 2/	2
Size of the Middle Class (Millions) / Growth Rate (%)	N/A
Per Capita Gross Domestic Product (U.S. Dollars)	$23,208
Unemployment Rate (%)	2.5%
Per Capita Food Expenditures (U.S. Dollars)	$1,640
Percent of Female Population Employed 3/	53%
Exchange Rate 1999 (US$1 = X.X local currency) 2000	2.07 2.39

Note:

1/ Source: UN Trade database CY 1999

2/ population in excess of 1,000,000

3/ percent against the total number of women of working age

B. Consumer Food & Edible Fishery Product Imports

Netherlands Imports	Imports from the World			Imports from the U.S.			U.S Market Share		
(In Millions of Dollars)	1997	1998	1999	1997	1998	1999	1997	1998	1999
CONSUMER-ORIENTED AGRICULTURAL TOTAL	10,260	10,150	11,078	316	350	439	3	3	4
Snack Foods (Excl. Nuts)	481	461	541	2	3	5	0	1	1
Breakfast Cereals & Pancake Mix	37	32	44	1	1	1	0	1	1
Red Meats, Fresh/Chilled/Frozen	643	556	655	23	17	6	4	3	1
Red Meats, Prepared/Preserved	282	276	294	4	1	1	1	0	0
Poultry Meat	254	232	260	0	0	0	0	0	0
Dairy Products (Excl. Cheese)	1,755	1,685	1,749	1	1	1	0	0	0
Cheese	284	315	286	1	1	1	0	0	0
Eggs & Products	85	88	98	7	6	2	8	7	2
Fresh Fruit	1,160	1,227	1,364	30	28	28	3	2	2
Fresh Vegetables	770	767	674	1	1	1	0	0	0
Processed Fruit & Vegetables	923	904	1,052	29	33	34	3	4	3
Fruit & Vegetable Juices	468	602	750	20	30	43	4	5	6
Tree Nuts	221	203	225	47	53	56	21	26	25
Wine & Beer	607	601	709	22	32	64	4	5	9
Nursery Products & Cut Flowers	756	765	794	59	58	56	8	8	7
Pet Foods (Dog & Cat Food)	146	91	133	11	9	21	8	10	16
Other Consumer-Oriented Products	1,389	1,344	1,451	61	78	121	4	6	8
FISH & SEAFOOD PRODUCTS	836	925	952	15	14	16	2	1	2
Salmon	49	49	50	5	4	6	11	9	12
Surimi	4	7	10	1	1	1	6	3	1
Crustaceans	189	242	201	1	1	1	0	0	0
Groundfish & Flatfish	304	322	364	1	1	2	0	0	1
Molluscs	44	37	35	2	1	2	5	1	5
Other Fishery Products	245	268	293	6	7	5	2	2	2
AGRICULTURAL PRODUCTS TOTAL	18,093	18,016	18,876	1,503	1,332	1,475	8	7	8
AGRICULTURAL, FISH & FORESTRY TOTAL	20,957	20,710	21,778	1,597	1,411	1,531	8	7	7
Source: FAS' Global Agricultural Trade System using data from the United Nations Statistical Office									

C. Top 15 Suppliers of Consumer Foods & Edible Fishery Products

CONSUMER-ORIENTED AGRICULTURAL TOTAL					FISH & SEAFOOD PRODUCTS			
Reporting: Netherlands - Top 15 Ranking					Reporting: Netherlands - Top 15 Ranking			
	Import	Import	Import			Import	Import	Import
	1997	**1998**	**1999**			**1997**	**1998**	**1999**
	Value	Value	Value			Value	Value	Value
	1000$	1000$	1000$			1000$	1000$	1000$
Germany	2,060,958	2,011,393	2,142,649		Germany	110,416	139,909	163,614
Belgium	0	0	2,041,565		Denmark	80,752	77,021	96,583
France	1,077,440	913,635	971,919		United Kingdom	96,409	79,271	88,364
Spain	915,942	806,915	640,546		Belgium	0	0	64,089
Brazil	403,513	509,960	631,849		Iceland	51,284	56,785	62,320
United Kingdom	464,882	395,063	514,620		France	37,816	36,239	44,052
United States	315,625	350,339	438,981		Norway	37,633	33,552	35,112
Thailand	230,020	221,523	319,276		Indonesia	10,000	18,622	25,354
Italy	306,058	271,129	281,405		Morocco	28,463	27,944	24,295
Ireland	227,514	230,148	270,676		Thailand	24,299	44,926	22,250
S.Afr.Cus.Un	80,336	184,616	242,726		Poland	9,345	10,970	16,983
Chile	130,461	162,537	185,430		United States	15,410	13,604	16,144
Israel	193,639	196,450	160,482		Sweden	10,302	11,850	15,804
Argentina	153,931	163,860	154,909		Canada	20,363	23,984	15,674
Turkey	121,669	124,394	143,291		Bangladesh	11,145	13,098	14,728
Other	3,578,198	3,608,760	1,937,537		Other	292,171	336,973	247,068
World	10,259,955	10,150,323	11,078,130		World	835,751	924,650	952,474
Source: United Nations Statistics Division								